

# MEDICARE NEWS

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## **CMS ANNOUNCES NEW HOME HEALTH DEMONSTRATION**

### **Some Services Provided In Medical Adult Day Care Facilities**

The Centers for Medicare & Medicaid Services (CMS) today announced the implementation of the Medical Adult Day Care Services Demonstration, which encourages Home Health Agencies (HHA's) to partner with Medical Adult Day Care Facilities (MADCF's) to provide medical adult day-care services to Medicare beneficiaries as a substitute for a portion of home health services otherwise provided in the home.

“This demonstration will allow Medicare to assess whether providing medical adult day care services as part of the home health benefit will improve patient outcomes and increase patient satisfaction,” said CMS Administrator Mark B. McClellan, M.D., Ph.D.

There are approximately 2,100 licensed medical adult day care facilities throughout the country providing adult day services that include health care, as well as social interaction and caregiver respite services, to meet the day-time needs of individuals with functional or cognitive impairments.

Currently, Medicare beneficiaries who attend medical adult day care facilities pay out of pocket for those services or they are reimbursed through a third party payer other than Medicare.

The demonstration is limited to not more than five home health agencies that are affiliated, through ownership or contractual agreement, with one or more adult day care facilities that provide services in the over 36 states that license or certify medical adult day care facilities. Approximately 6600 home health agencies were eligible to submit an application to participate in the demonstration in response to a June 2005 national solicitation. Several selection criteria (e.g., scope of services, management plan, quality assurance, etc.) were used to select the following five home health agencies to participate in the demonstration project:

- Aurora Visiting Nurse Association, Milwaukee, Wisconsin
- Doctor's Care Home Health, McAllen, Texas
- Landmark Home Health Care Services, Allison Park, Pennsylvania
- Metropolitan Jewish Health System, Brooklyn, New York
- Neighborly Care Network, St. Petersburg, Florida

The participating home health agencies will be paid 95 percent of the home health prospective payment rate for services provided to beneficiaries participating in the demonstration. Since these adult day care services will be provided in coordination with the home health benefit, beneficiaries will not have any associated out-of-pocket costs for these additional services while enrolled in the demonstration.

Participation of Medicare beneficiaries is voluntary and up to 15,000 beneficiaries at any one time will be eligible to enroll in the three-year demonstration, which is expected to begin in June 2006. An evaluation will be conducted for submission to Congress which will include an analysis of the clinical and cost-effectiveness of the demonstration and recommendations for future study.

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